

SAN FRANCISCO  
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Purchase and Use Tax  
Ordinance  
of the  
City and County  
of  
San Francisco



OFFICE OF THE TAX COLLECTOR  
ROOM 107, CITY HALL  
SAN FRANCISCO, 2, CALIF.  
Phone HEmlock 1-2121



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(Series of 1939)

**IMPOSING EXCISE TAX ON THE RETAIL PURCHASE, USE OR OTHER CONSUMPTION OF TANGIBLE PERSONAL PROPERTY, PROVIDING FOR THE REGISTRATION OF RETAILERS, FOR THE LEVY AND COLLECTION OF SUCH TAX AND PRESCRIBING PENALTIES FOR THE VIOLATION OF THE PROVISIONS HEREOF.**

Be it ordained by the People of the City and County of San Francisco:

## **GENERAL PROVISIONS AND DEFINITIONS**

Section 1. **Short Title.** This ordinance shall be known as the "Purchase and Use Tax Ordinance."

Section 2. **Operation of Definitions.** Except where the context otherwise requires, the definitions given in this ordinance govern the construction thereof.

Section 3. **"Tax."** "Tax" means the tax imposed by this ordinance.

Section 4. **"Person."** "Person" includes any individual, firm, copartnership, joint adventure, association, social club, fraternal organization, corporation, estate, trust, business trust, receiver, trustee, syndicate or any other group or combination acting as a unit, excepting the United States of America, the State of California and any political subdivision of either thereof upon which the City and County is without power to impose the tax herein provided.

Section 5. **"Purchase:"** "Retail Purchase:" "Purchase at Retail." "Purchase" means any transfer of title, exchange, or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for a consideration. A transaction whereby the possession of property is transferred but the seller retains the title as security for the payment of the price is also a purchase. A transfer for a consideration of tangible personal property which has been produced, fabricated, or printed to the special order of the customer, or of any publication, is also a purchase. A "retail purchase" or a "purchase at retail" means a purchase for any purpose other than sale in the regular course of business in the form of tangible personal property. A purchase for resale shall be deemed to become a retail purchase, and subject to tax as such, when used or otherwise consumed by the purchaser.

*As amended by Ordinance No. 4604 (Series of 1939)*

Section 6. **Purchase in this City and County.** A pur-

Chase is deemed to be made in this city and county when the property is purchased from a retailer located in this city and county and delivery is made in this city and county. The receipt of delivery in this city and county of tangible personal property from an owner or former owner thereof or from a factor, if the receipt of delivery is by a consumer pursuant to a retail purchase from a retailer not engaged in business in the city and county, is a retail purchase in the city and county by the person receiving the delivery.

*As amended by Ordinance No. 4604 (Series of 1939)*

Section 7. "Use." "Use" includes the exercise of any right or power over tangible personal property incident to the ownership of that property, except that it does not include the sale of that property in the regular course of business.

Section 8. What Not Included In "Use." "Use" does not include the keeping, retaining or exercising any right or power over tangible personal property shipped or brought into this City and County for the purpose of subsequently transporting it outside the City and County for use thereafter solely outside the City and County, or for the purpose of being processed, fabricated, or manufactured into, attached to or incorporated into, other tangible personal property to be transported outside the City and County and thereafter used solely outside the City and County.

Section 9. "Purchase Price." "Purchase price" means the total amount for which tangible personal property is purchased, without any deduction on account of any of the following:

- (a) The cost of the property purchased.
- (b) The cost of materials used, labor or service cost, interest charged, losses, or any other expenses.
- (c) The cost of transportation of the property prior to its purchase.

The total amount for which the property is purchased includes all of the following:

- (a) Any services that are a part of the purchase.
- (b) Any amount for which credit is given to the purchaser by the seller. "Purchase price" does not include any of the following:
  - (a) Cash discounts allowed and taken on purchases.
  - (b) The amount charged for property returned by customers upon rescission of the contract of purchase when the entire amount charged therefor is refunded either in cash or credit, and when the property is returned within 90 days from the date of purchase.
  - (c) The amount charged for labor or services rendered in installing or applying the property purchased.

- (d) The amount of any tax (not including, however, any manufacturers' or importers' excise tax) imposed by the United States upon or with respect to retail purchases whether imposed upon the retailer or the customer.
- (e) Transportation charges separately stated, if the transportation occurs after the purchase of the property is made.
- (f) The amount of any California state sales and use tax.

*As amended by Ordinance No. 4604 (Series of 1939)*

Section 10. "Business." "Business" includes any activity engaged in by any person or caused to be engaged in by him with the object of gain, benefit, or advantage, either direct or indirect.

Section 11. "Seller." "Seller" includes every person engaged in the business of selling tangible personal property at retail in the City and County of San Francisco.

Section 12. "Retailer." "Retailer" includes:

(a) Every person engaged in the business of making sales at retail or in the business of making retail sales at auction of tangible personal property owned by the person or others.

(b) Every person engaged in the business of making sales for use, or other consumption or in the business of making sales at auction of tangible personal property owned by the person or others for use, or other consumption.

When the Tax Collector determines that it is necessary for the efficient administration of this ordinance to regard any salesmen, representatives, peddlers, or canvassers as the agents of the dealers, distributors, supervisors, or employers under whom they operate or from whom they obtain the tangible personal property sold by them, irrespective of whether they are making sales on their own behalf or on behalf of such dealers, distributors, supervisors, or employers, the Tax Collector may so regard them and may regard the dealers, distributors, supervisors, or employers as retailers for purposes of this ordinance.

Section 13. "Tangible Personal Property." "Tangible Personal Property" means personal property which may be seen, weighed, measured, felt, or touched, or which is in any other manner perceptible to the senses. Tangible personal property includes, without being limited to

(a) tangible personal property withdrawn, except that withdrawn pursuant to a transaction in foreign or interstate commerce, from the place where it is located for delivery to a point in this State for the purpose of the transfer of title or possession, exchange, barter, lease,

or rental, conditional or otherwise, in any manner or by any means whatsoever, for a consideration.

(b) tangible personal property produced, fabricated, processed, printed, or imprinted for a consideration for consumers who furnish either directly or indirectly the materials used in the producing, fabricating, processing, printing, or imprinting.

(c) tangible personal property furnished and distributed for a consideration by social clubs and fraternal organizations to their members or others.

(d) food, meals or drinks furnished, prepared, or served for a consideration.

Section 14. "In This City and County." "In this City and County" or "in the City and County" means within the exterior limits of the City and County of San Francisco and includes all territory within these limits owned by or ceded to the United States of America or the State of California.

### IMPOSITION OF TAX

Section 15. **Imposition and Rate of Tax.** An excise tax at the rate of  $\frac{1}{2}$  of one per cent of the purchase price thereof is hereby imposed on the purchase by any person of tangible personal property from any retailer in the City and County of San Francisco, and on the use or other consumption of tangible personal property in said City and County purchased from any retailer for use or other consumption therein.

Section 16. **Persons Liable for Tax: Extinguishment of Liability.** Every person purchasing from a retailer in this City and County or using or otherwise consuming in this City and County tangible personal property purchased from a retailer for any such purpose is liable for the tax. His liability is not extinguished until the tax has been paid to this City and County, except that a receipt from a retailer maintaining a place of business in this City and County or from a retailer who is authorized by the Tax Collector, under such rules and regulations as he may prescribe, to collect the tax and who is, for the purposes of this ordinance, regarded as a retailer maintaining a place of business in this City and County, which receipt is given to the purchaser pursuant to Section 17 hereof, is sufficient to relieve the purchaser from further liability for the tax to which the receipt refers.

Section 17. **Collection of Tax By Retailer: Receipt to Purchaser: Rules for Collection Schedules.** Every retailer maintaining a place of business in this city and county, as provided in the next preceding section, and making retail sales in this city and county or sales of tangible personal property for use or other consumption in this city and county, not exempted under Section 18 of this ordinance shall, at the time of making the sales collect the tax from the purchaser and on demand shall give

to the purchaser a receipt therefor. In all cases in which the tax is not collected by the retailer, as aforesaid, the person upon whom such tax is imposed shall pay the same when due to the Tax Collector of the city and county. In all cases of transactions upon credit or deferred payment, the payment of tax to the retailer may be deferred in accordance therewith, and the retailer shall be liable therefor at the time and to the extent that such credits are paid or deferred payments are made in accordance with the rate of tax owing on the amount thereof.

The Tax Collector shall have the power to adopt rules and regulations prescribing methods and schedules for the collection and payment of the tax and such methods and schedules shall eliminate fractions of one cent. Such schedules may provide that no tax need be collected and paid upon purchases below a stated sum and such schedules may be so determined as to facilitate collection of this tax at the same time as the retailer collects the tax imposed under the California Sales and Use Tax Law.

*As amended by Ordinance No. 4604 (Series of 1939)*

**Section 17.1. Unlawful Advertising Regarding Tax.** It is unlawful for any retailer to advertise or hold out or state to the public or to any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the retailer or that it will not be added to the selling price of the property sold, or that, if added, it or any part thereof will be refunded.

*As amended by Ordinance No. 4604 (Series of 1939)*

**Section 18. Exemptions.** Purchases at retail of tangible personal property and the use or other consumption of the same are exempt from tax hereunder in all instances and as to all transactions in which exemptions from either the sales tax or use tax are provided by Part 1, Division 2, Revenue and Taxation Code of the State of California, as amended and in force and effect on June 9, 1947, the provisions whereof relating thereto are incorporated herein for such purpose as though fully set forth herein; provided:

(1) That the date with reference to the execution of public works contracts set forth in Section 6355 of said Code shall be deemed to be November 1, 1947.

(2) That purchases of motor vehicle fuel, the distribution of which in the State of California is subject to the tax imposed by Part 2 or Division 2 of the California Revenue and Taxation Code shall be exempt from tax, except that users of motor vehicle fuel on which the motor vehicle fuel tax is refunded shall be liable for the tax imposed by this ordinance at the time and in the manner herein provided.

(3) That the exercise of any right or power other

than that of purchase over tangible personal property incident to ownership of that property if such property was purchased for principal use or consumption outside of the City and County and is so used or consumed is exempt from tax.

(4) That the use of tangible personal property employed in the transportation or transmission of persons, property, gas, electricity, or communications by persons engaged in the business of transporting or transmitting such persons, property, gas, electricity or communications in both intrastate and interstate or foreign commerce, is exempt from tax. This exemption shall not apply to persons engaged in this City and County solely in intrastate business.

(5) Purchases by the State of California or any agency, department, political subdivision, district or municipal corporation thereof are exempt from tax.

(6) Purchases of meals, food and drinks sold or served on common carriers operating into, through or out of the city and county of San Francisco from or to points outside the City and County of San Francisco are exempt from tax.

(7) Purchases of property to be used in connection with the erection, construction, repair or alteration of either public works or buildings belonging to or being constructed by or on behalf of, or for the use of the United States Government, State of California, or any agency, department, political subdivision, district or public or municipal corporation of the State are exempt from tax.

(8) Purchases of property which is shipped from outside the City and County to purchasers within the City and County and which property before being put to any use within the City and County is transported to points without the City and County for principal use or other consumption outside the City and County of San Francisco are exempt from tax.

(9) Purchases of property by operators of common carriers and waterborne vessels to be used or consumed in the operation of such common carriers or waterborne vessels, principally outside the City and County are exempt from tax.

(10) Purchase of property which is shipped to a point outside this City and County pursuant to the contract of sale by delivery by the retailer to such point by means of (A) facilities operated by the retailer; (B) delivery by the retailer to a carrier for shipment to a consignee at such point; or (C) delivery by the retailer to a custom's broker or forwarding agency for shipment outside this City and County are exempt from tax.  
*As amended by Ordinance No. 4604 (Series of 1939)*

## REGISTRATION

Section 19. Registration of Seller: Form and Contents: Execution: Certification of Authority. Every person engaging or about to engage in business as a seller in this City and County shall immediately register with the Tax Collector of the City and County, on a form provided by him. Persons engaged in such business must so register not later than 15 days after the date such tax becomes effective and is imposed as set forth in Section 71, but such privilege of registration after the date of imposition of such tax shall not relieve any person from the obligation of payment or collection of tax on and after the date of imposition thereof, regardless of registration. Such registration shall set forth the name under which such person transacts or intends to transact business, the location of his place or places of business and such other information to facilitate the collection of the tax as the Tax Collector may require. The registration shall be signed by the owner if a natural person; in case of an association or partnership, by a member or partner; in the case of a corporation, by an executive officer or some person specifically authorized by the corporation to sign the registration. Every retailer selling tangible personal property for use, or other consumption in this City and County shall register with the Tax Collector and give the name and address of all agents operating in this City and County, the location of all distribution or sales houses or offices or other places of business in this City and County, and such other information as the Tax Collector may require. The Tax Collector shall within five days after such registration issue without charge a certificate of authority to each registrant to collect the tax from the purchaser, together with a duplicate thereof for each additional place of business of such registrant. Each certificate and duplicate shall state place of business to which it is applicable and shall be prominently displayed therein so as to be seen and come to the notice readily of all purchasers and persons seeking purchases. Such certificates shall be nonassignable and nontransferable and shall be surrendered immediately to the Tax Collector upon the cessation of business at the location named or upon its sale or transfer.

If the Tax Collector deems it necessary in order to facilitate initial registration hereunder of persons engaged in business on or prior to the date of imposition of tax as set forth in this ordinance, he may prescribe provisions therefor other than those provided in this section. Such provisions shall be made to effect the purposes hereof. For such purposes, such provisions shall be in lieu of those herein provided. Such registration and the certificate thereof shall have the same effect as that provided herein.

*As amended by Ordinance No. 4604 (Series of 1939)*

## DETERMINATIONS RETURNS AND PAYMENTS

Section 20. Due Date of Taxes. The tax imposed by this ordinance shall become due and payable from the purchaser at the time of purchase from a retailer in this City and County or, if not so purchased, at the time of using or otherwise consuming tangible personal property in this City and County. All amounts of such taxes collected by any retailer are due and payable to the Tax Collector quarterly on or before the last day of the month of April, July, October or January next succeeding each respective quarterly period.

*As amended by Ordinance No. 4604 (Series of 1939)*

Section 21. Return: Time for Filing: Persons Required to File: Execution. On or before the last day of the month following each quarterly period of three months, a return for the preceding quarterly period shall be filed with the Tax Collector, in such form as he may prescribe, by every seller and by every person liable to payment of tax hereunder during such quarterly period who has not paid such tax, and made return in regard to the related purchase, use or other consumption of property which is the subject of tax.

*As amended by Ordinance No. 4604 (Series of 1939)*

Section 22. Same: Contents. Returns shall show the amount of tax collected or otherwise due for the related period and such other information as is required by the Tax Collector. The Tax Collector may require returns to show the total purchase price upon which tax was collected or otherwise due, the gross receipts of a registered returnee for such period and the explanation in detail of any discrepancy between such amounts.

*As amended by Ordinance No. 4604 (Series of 1939)*

Section 23. Delivery of Return and Remittance. The person required to file the return shall deliver the return, together with the remittance of the amount of the tax due, to the Tax Collector at his office.

Section 24. Same: Period Other Than Calendar Quarters. If the Tax Collector deems it necessary in order to insure payment to or to facilitate collection by the City and County of the amount of taxes, he may require returns and payments for quarterly periods other than calendar quarters or for other than quarterly periods, depending on the principal place of business of the seller, retailer or purchaser, as the case may be.

Section 25. Extension of Time for Filing a Return and Paying Tax. For good cause, the Tax Collector may extend for not to exceed one month the time for making any return or payment of tax. No further extension shall be granted except by the Board of Review. Any person to whom an extension is granted, whether by the Tax Collector under this section or by the Board of Review under Section 60.1, who makes return and pays

the tax within the period of such extension shall pay, in addition to the tax, interest on the amount thereof at the rate of one-half of one per cent per month, or fraction thereof, for the period of such extension to the time of return and payment.

*As amended by Ordinance No. 4604 (Series of 1939)*

## DEFICIENCY DETERMINATIONS

**Section 26. Recomputation of Tax: Authority to Make: Basis of Recomputation.** If the Tax Collector is not satisfied with the return or returns of the tax or the amount of the tax required to be paid to the City and County by any person, he may compute and determine the amount required to be paid upon the basis of the facts contained in the return or returns or upon the basis of any information within his possession or that may come into his possession. One or more deficiency determinations may be made of the amount due for one or for more than one period.

**Section 27. Same: Interest on Deficiency.** The amount of the determination, exclusive of penalties, shall bear interest at the rate of one-half of 1 per cent per month, or fraction thereof, from the fifteenth day after the close of the quarterly period for which the amount or any portion thereof should have been returned until the date of payment.

**Section 28. Same: Offsetting of Overpayments.** In making a determination the Tax Collector may offset overpayments for a period or periods, together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments. The interest on underpayments and overpayments shall be computed in the manner set forth in Section 47.

**Section 29. Penalty: Negligence or Disregard of Rules and Regulations.** If any part of the deficiency for which a deficiency determination is made is due to negligence or intentional disregard of this ordinance or authorized rules and regulations, a penalty of 10 per cent of the amount of the determination shall be added thereto.

**Section 30. Same: For Fraud or Intent to Evade.** If any part of the deficiency for which a deficiency determination is made is due to fraud or an intent to evade this ordinance or authorized rules and regulations, a penalty of 25 per cent of the amount of the determination shall be added thereto.

**Section 31. Notice of Tax Collector's Determination: Service of.** The Tax Collector shall give to the retailer or person using, or consuming tangible personal property written notice of his determination. The notice may be served personally or by mail; if by mail service shall be made pursuant to Section 1013 of the Code of Civil

Procedure and shall be addressed to the retailer or person using, or consuming tangible personal property at his address as it appears in the records of the Tax Collector. In case of service by mail of any notice required by this ordinance, the service is complete at the time of deposit in the United States post office.

**Section 32. Time Within Which Notice of Deficiency Determination to be Mailed.** Except in the case of fraud, intent to evade this ordinance or authorized rules and regulations, or failure to make a return, every notice of a deficiency determination shall be mailed within three years after the fifteenth day of the calendar month following the quarterly period for which the amount is proposed to be determined or within three years after the return is filed, whichever period expires the later.

The limitation specified in this section does not apply in case of a tax proposed to be determined with respect to purchases of property for the use, or other consumption of which notice of a deficiency determination has been or is given.

## **DETERMINATION IF NO RETURN MADE**

**Section 33. Estimate of Gross Receipts: Computation of Tax Penalty.** If any person fails to make a return, the Tax Collector shall make an estimate of the amount of the gross receipts of the person, or, as the case may be, of the amount of the total sales price of tangible personal property sold or purchased by the person, the use, or other consumption of which in this City and County is subject to the tax. The estimate shall be made for the period or periods in respect to which the person failed to make a return and shall be based upon any information which is in the Tax Collector's possession or may come into his possession. Upon the basis of this estimate the Tax Collector shall compute and determine the amount required to be paid to the City and County, adding to the sum thus arrived at a penalty equal to 10 per cent thereof. One or more determinations may be made for one or for more than one period.

**Section 34. Manner of Computation: Offsets: Interest.** In making a determination the Tax Collector may offset overpayments for a period or periods, together with interest on the overpayments, against underpayments for another period or periods, against penalties, and against the interest on the underpayments. The interest on underpayments and overpayments shall be computed in the manner set forth in Section 47.

**Section 35. Interest on Amount Found Due.** The amount of the determination, exclusive of penalties, shall bear interest at the rate of one-half of one per cent per month, or fraction thereof, from the last day

of the month following the close of the quarterly period for which the amount or any portion thereof should have been returned until the date of payment.  
*As amended by Ordinance No. 4604 (Series of 1939)*

**Section 36. Penalty for Fraud or Intent to Evade.** If the failure of any person to file a return is due to fraud or an intent to evade this ordinance or rules and regulations, a penalty of 25 per cent of the amount required to be paid by the person, exclusive of penalties, shall be added thereto in addition to the 10 per cent penalty provided in Section 33.

**Section 37. Giving of Notice: Manner of Service.** Promptly after making his determination the Tax Collector shall give to the person written notice of the estimate, determination and penalty, the notice to be served personally or by mail in the manner prescribed for service of notice of a deficiency determination.

### **JEOPARDY DETERMINATIONS**

**Section 38. Duty of Tax Collector to Make: Due Date.** If the Tax Collector believes that the collection of any tax or any amount of tax required to be collected and paid to the City and County or of any determination will be jeopardized by delay, he shall thereupon make a determination of the tax or amount of tax required to be collected, noting that fact upon the determination. The amount determined is immediately due and payable.

**Section 39. Effect of Nonpayment: Finality of Determination.** If the amount specified in the determination is not paid within 10 days after service of notice thereof upon the person against whom the determination is made, the amount becomes final at the expiration of the 10 days, unless a petition for redetermination is filed within the 10 days, and the delinquency penalty and the interest provided in Section 47 shall attach to the amount of the tax or the amount of the tax required to be collected.

**Section 40. Petition for Redetermination: Time for Filing: Deposit of Security.** The person against whom a jeopardy determination is made may petition for the redetermination thereof pursuant to Sections 41, 42, 43, 44, 45, and 46 of this ordinance. He shall, however, file the petition for redetermination with the Tax Collector within 10 days after the service upon him of notice of determination. The person shall also within the 10-day period deposit with the Tax Collector such security as he may deem necessary to insure compliance with this ordinance. The security may be sold by the Tax Collector in the manner prescribed by Section 48.

### **REDETERMINATIONS**

**Section 41. Right to Petition For: Time to File Petition.** Any person against whom a determination is made

under this ordinance or any person directly interested may petition for a redetermination within 30 days after service upon the person of notice thereof. If a petition for redetermination is not filed within the 30-day period, the determination becomes final at the expiration of the period.

**Section 42. Grant of Oral Hearing: Notice: Continuances.** If a petition for redetermination is filed within the 30-day period, the Tax Collector shall reconsider the determination and, if the person has so requested in his petition, shall grant the person an oral hearing and shall give him 10 days' notice of the time and place of the hearing. The Tax Collector may continue the hearing from time to time as may be necessary.

**Section 43. Alteration of Determination: Limitation on Right to Increase Amount.** The Tax Collector may decrease or increase the amount of the determination before it becomes final but the amount may be increased only if a claim for the increase is asserted by the Tax Collector at or before the hearing.

**Section 44. Finality of Order on Petition.** The order or decision of the Tax Collector upon a petition for redetermination becomes final 30 days after service upon the petitioner of notice thereof, unless appeal of such order or decision is filed with the Board of Review within 15 days after service of such notice.

*As amended by Ordinance No. 4604 (Series of 1939)*

**Section 45. Time for Payment of Amounts Found Due: Penalty for Delinquency.** All determinations made by the Tax Collector under Section 33 or 38 of this ordinance are due and payable at the time they become final. If they are not paid when due and payable, a penalty of 10 per cent of the amount of the determination, exclusive of interest and penalties, shall be added thereto.

**Section 46. Manner of Serving Notices.** Any notice relating to redetermination proceedings shall be served personally or by mail in the manner prescribed for service of notice of a deficiency determination.

## INTEREST AND PENALTIES

**Section 47. Penalty and Interest for Failure to Pay Tax: Amount and Rates.** Any person who fails to pay any tax to the City and County of San Francisco or any amount of tax required to be collected and paid to the City and County, except amounts of determinations made by the Tax Collector under Section 33 or 38 of this ordinance, within the time required shall pay a penalty of 10 per cent of the tax or amount of the tax, in addition to the tax or amount of tax, plus interest at the rate of one-half of 1 per cent per month, or fraction thereof, from the date on which the tax or the amount of tax required to be collected became due and

payable to the City and County until the date of payment.

## COLLECTION OF TAX

**Section 48. Security: Tax Collector May Exact: Amount: Sale of: Notice of Sale: Return of Surplus.** The Tax Collector, whenever he deems it necessary to insure compliance with this ordinance, may require any person subject thereto to deposit with him such security as the Tax Collector may determine. The amount of the security shall be fixed by the Tax Collector but shall not be greater than twice the person's estimated average liability for the period for which he files returns, determined in such manner as the Tax Collector deems proper, or ten thousand dollars (\$10,000), whichever amount is the lesser. The amount of the security may be increased or decreased by the Tax Collector subject to the limitations herein provided. The Tax Collector may sell the security at public auction if it becomes necessary so to do in order to recover any tax or any amount required to be collected, interest, or penalty due. Notice of the sale may be served upon the person who deposited the security personally or by mail; if by mail, service shall be made in the manner prescribed for service of a notice of a deficiency determination and shall be addressed to the person at his address as it appears in the records of the Tax Collector. Upon any sale any surplus above the amounts due shall be returned to the person who deposited the security.

**Section 49. Notice of Delinquency to Persons Holding Credits or Property of Delinquent: Time For: Duty of Persons So Notified.** If any person is delinquent in the payment of the amount required to be paid by him or in the event a determination has been made against him which remains unpaid, the Tax Collector may, not later than three years after the payment became delinquent, give notice thereof by registered mail to all persons in the City and County having in their possession or under their control any credits or other personal property belonging to the delinquent, or owing any debts to the delinquent. After receiving the notice the persons so notified shall neither transfer nor make any other disposition of the credits, other personal property, or debts in their possession or under their control at the time they receive the notice until the Tax Collector consents to a transfer or disposition or until 20 days elapse after the receipt of the notice. All persons so notified shall within five days after receipt of the notice advise the Tax Collector of all such credits, other personal property, or debts in their possession, under their control, or owing by them.

**Section 50. Action for Tax: Time For.** At any time within three years after any tax or any amount of tax required to be collected becomes due and payable and at any time within three years after the delinquency of any tax or any amount of tax required to be collected,

the Tax Collector may bring an action in the courts of this State, of any other State, or of the United States in the name of the City and County of San Francisco to collect the amount delinquent together with penalties and interest.

**Section 51. Duty of Successors or Assignees of Retailer to Withhold Tax From Purchase Money.** If any retailer liable for any amount under this ordinance sells out his business or stock of goods or quits the business, his successors or assigns shall withhold sufficient of the purchase price to cover such amount until the former owner produces a receipt from the Tax Collector showing that he has been paid or a certificate stating that no amount is due.

**Section 52. Same: Liability for Failure to Withhold: Certificate or Notice of Amount Due: Time to Enforce Successor's Liability.** If the purchaser of a business or stock of goods fails to withhold purchase price as required, he becomes personally liable for the payment of the amount required to be withheld by him to the extent of the purchase price, valued in money. Within 30 days after receiving a written request from the purchaser for a certificate, the Tax Collector shall either issue the certificate or mail notice to the purchaser at his address as it appears on the records of the Tax Collector of the amount that must be paid as a condition of issuing the certificate. Failure of the Tax Collector to mail the notice will release the purchaser from any further obligation to withhold purchase price as above provided. The time within which the obligation of a successor may be enforced shall start to run at the time the retailer sells out his business or stock of goods or at the time that the determination against the retailer becomes final whichever event occurs the later.

Section 53. (Open).

Section 54. (Open).

Section 55. (Open)

Section 56. (Open)

Section 57. (Open).

Section 58. (Open).

Section 59. (Open).

## ADMINISTRATION

**Section 60. Authority of Tax Collector Generally: Capital Improvement Fund.** The Tax Collector shall enforce the provisions of this ordinance and may prescribe, adopt, and enforce rules and regulations relating to the administration and enforcement of this ordinance. The Tax Collector may prescribe the extent to which any ruling or regulation shall be applied without retroactive effect.

The Tax Collector shall transmit all moneys received hereunder to the Treasurer to the credit of a special fund to be known as Capital Improvement Fund. Ap-

appropriations from said fund shall be made solely for the cost of administration of the provisions of this ordinance, which cost of administration shall not exceed 4% of the amount collected, for refunds of any overpayments of tax, for capital expenditures and public improvement and for the servicing of the 1944 sewer bonds, the 1945 airport bonds, and any future bond issues of the City and County for capital expenditures or public improvements.

**Section 60.1. Board of Review: Appeals, Rules, Procedure.** A Board of Review, consisting of the Chief Administrative Officer, the Controller and the Assessor is hereby created. The Board shall select from its members a chairman who shall serve at its pleasure. Any member of the Board may deputize in writing filed with the Board any member of his office to serve in his place on such Board for such period or in such hearing as he may desire. A majority of the members of the Board shall constitute a quorum. The Board shall keep a record of its transactions. The Board shall be deemed to be in the office of the Chief Administrative Officer, shall meet and keep its files in his office and all filing with the Board relating to appeals or otherwise shall be made at such office. Neither the members of the Board nor the members of their offices deputized to serve in their places at any time shall receive any compensation as such members or acting members for their services on the Board.

The Board shall have power, and it shall be its duty:

(1) To hear and determine appeals of orders or decisions of the Tax Collector made upon petitions for re-determination of tax. The Board may affirm, modify or reverse such orders or decisions or dismiss the appeals therefrom, as may be just, and shall prescribe such forms, rules and regulations relating to appeals as it may deem necessary. In the review of the Tax Collector's decision or order, the Board may take such evidence and make such investigation as it may deem necessary. It shall give notice of its determinations in the manner prescribed for service of notice of a deficiency determination and shall file a copy of each such determination with the Tax Collector with certification thereon of the date of service thereof. Such determination shall become final 10 days thereafter and shall thereupon become due and payable, subject to interest and penalties, and enforceable by the Tax Collector in like manner as an order or decision of the Tax Collector

(2) To approve, modify or disapprove all forms, rules and regulations prescribed by the Tax Collector in the administration and enforcement of this ordinance and such forms, rules and regulations shall be subject to, and become effective only on, such approval.

(3) To hear and determine in such manner as shall be just any protest which may be made by any person who may be interested, to any form, rule or regulation approved or prescribed by the Board.

(4) To grant for good cause, applications for extensions of time in excess of one month, for making any return or payment of tax, and to prescribe rules therefor

*As amended by Ordinance No. 4604 (Series of 1939)*

**Section 61. Records Required from Retailers, Etc.: Form.** Every seller, every retailer, and every person using, or otherwise consuming in this City and County tangible personal property purchased from a retailer shall keep such records, receipts, invoices, and other pertinent papers in such form as the Tax Collector may require

**Section 62. Same: Examination: Investigations.** The Tax Collector or any person authorized in writing by him may examine the books, papers, records and equipment of any person selling tangible personal property and any person liable for the tax and may investigate the character of the business of the person in order to verify the accuracy of any return made, or, if no return is made by the person, to ascertain and determine the amount required to be paid.

**Section 63. Authority to Require Reports: Contents.** In administration of the tax the Tax Collector may require the filing of reports by any person or class of persons having in his or their possession or custody information relating to sales of tangible personal property the use, or other consumption of which is subject to the tax. The reports shall be filed when the Tax Collector requires and shall set forth the names and addresses of purchasers of the tangible personal property, the sales price of the property, the date of sale, and such other information as the Tax Collector may require.

**Section 64. Disclosure of Business of Retailers, Etc.: Limitation on Rule.** It is unlawful for the Tax Collector or any person having an administrative duty under this ordinance to make known in any manner whatever the business affairs, operations, or information obtained by an investigation of records and equipment of any retailer or any other person visited or examined in the discharge of official duty, or the amount or source of income, profits, losses, expenditures, or any particular thereof, set forth or disclosed in any return, or to permit any return or copy thereof or any book containing any abstract or particulars thereof to be seen or examined by any person. Successors, receivers, trustees, executors, administrators, assignees, and guarantors, if directly interested, may be given information as to the items included in the measure and amounts of any unpaid tax or amounts of tax required to be collected, interest and penalties.

Section 65. **Saving Clause.** This ordinance shall not apply to any person as to whom, or to any purchase or use of property as to which, it is beyond the power of the Board of Supervisors to impose the tax herein provided. If any section, subsection, subdivision, paragraph, sentence, clause or phrase of this ordinance or any part thereof is for any reason held to be unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance or any part thereof. The Board of Supervisors hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional.

Section 66. (Open).

Section 67. (Open).

Section 68. (Open).

Section 69. (Open).

Section 70. **Violations, A Misdemeanor.** Any person violating any of the provisions of this ordinance shall be guilty of a misdemeanor, and shall be punishable therefor by a fine of not more than five hundred dollars (\$500.00) or by imprisonment in the County Jail for a period of not more than six months or by both such fine and imprisonment. Each such person shall be guilty of a separate offense for each and every day during any portion of which any violation of any provision of this ordinance is committed, continued or permitted by such person and shall be punishable accordingly.

Any retailer or other person who fails or refuses to register as required herein, or to furnish any return required to be made, or who fails or refuses to furnish a supplemental return or other data required by the Tax Collector, or who renders a false or fraudulent return, is guilty of a misdemeanor, and is punishable as aforesaid. Any person required to make, render, sign or verify any report who makes any false or fraudulent report, with intent to defeat or evade the determination of an amount due required by this ordinance to be made, is guilty of a misdemeanor and is punishable as aforesaid.

Section 71. **Effective Date.** This ordinance shall become effective ten days after its passage, as provided in Section 16 of the Charter, except that the tax imposed by this ordinance shall become effective and be imposed on October 1, 1947, and shall not apply to purchases or transactions involving purchases made prior to said date. The tax is imposed for a period of five years thereafter, which period is subject to extension by ordinance

\* \* \*

*Final passage: July 28, 1947.*

*Approved: July 30, 1947.*

# SAN FRANCISCO PURCHASE & USE TAX

2½% California Sales Tax  
½% S.F. Purchase & Use Tax

3%

Effective  
October 1, 1947

Transaction	Tax	Transaction	Tax	Transaction	Tax
\$ .01— .14	.01	16 50—16 83	.50	33 17—33 49	1.00
.15— .42	.02	16 84—17 16	.51	33 50—33 83	1.01
.43— .73	.03	17 17—17 49	.52	33 84—34 16	1.02
.74— 1 12	.04	17 50—17 83	.53	34 17—34 49	1.03
1 13— 1 49	.05	17 84—18 16	.54	34 50—34 83	1.04
1 50— 1 83	.06	18 17—18 49	.55	34 84—35 16	1.05
1 84— 2 16	.07	18 50—18 83	.56	35 17—35 49	1.06
2 17— 2 49	.08	18 84—19 16	.57	35 50—35 83	1.07
2 50— 2 83	.09	19 17—19 49	.58	35 84—36 16	1.08
2 84— 3 16	.10	19 50—19 83	.59	36 17—36 49	1.09
3 17— 3 49	.11	19 84—20 16	.60	36 50—36 83	1.10
3 50— 3 83	.12	20 17—20 49	.61	36 84—37 16	1.11
3 84— 4 16	.13	20 50—20 83	.62	37 17—37 49	1.12
4 17— 4 49	.14	20 84—21 16	.63	37 50—37 83	1.13
4 50— 4 83	.15	21 17—21 49	.64	37 84—38 16	1.14
4 84— 5 16	.16	21 50—21 83	.65	38 17—38 49	1.15
5 17— 5 49	.17	21 84—22 16	.66	38 50—38 83	1.16
5 50— 5 83	.18	22 17—22 49	.67	38 84—39 16	1.17
5 84— 6 16	.19	22 50—22 83	.68	39 17—39 49	1.18
6 17— 6 49	.20	22 84—23 16	.69	39 50—39 83	1.19
6 50— 6 83	.21	23 17—23 49	.70	39 84—40 16	1.20
6 84— 7 16	.22	23 50—23 83	.71	40 17—40 49	1.21
7 17— 7 49	.23	23 84—24 16	.72	40 50—40 83	1.22
7 50— 7 83	.24	24 17—24 49	.73	40 84—41 16	1.23
7 84— 8 16	.25	24 50—24 83	.74	41 17—41 49	1.24
8 17— 8 49	.26	24 84—25 16	.75	41 50—41 83	1.25
8 50— 8 83	.27	25 17—25 49	.76	41 84—42 16	1.26
8 84— 9 16	.28	25 50—25 83	.77	42 17—42 49	1.27
9 17— 9 49	.29	25 84—26 16	.78	42 50—42 83	1.28
9 50— 9 83	.30	26 17—26 49	.79	42 84—43 16	1.29
9 84—10 16	.31	26 50—26 83	.80	43 17—43 49	1.30
10 17—10 49	.32	26 84—27 16	.81	43 50—43 83	1.31
10 50—10 83	.33	27 17—27 49	.82	43 84—44 16	1.32
10 84—11 16	.34	27 50—27 83	.83	44 17—44 49	1.33
11 17—11 49	.35	27 84—28 16	.84	44 50—44 83	1.34
11 50—11 83	.36	28 17—28 49	.85	44 84—45 16	1.35
11 84—12 16	.37	28 50—28 83	.86	45 17—45 49	1.36
12 17—12 49	.38	28 84—29 16	.87	45 50—45 83	1.37
12 50—12 83	.39	29 17—29 49	.88	45 84—46 16	1.38
12 84—13 16	.40	29 50—29 83	.89	46 17—46 49	1.39
13 17—13 49	.41	29 84—30 16	.90	46 50—46 83	1.40
13 50—13 83	.42	30 17—30 49	.91	46 84—47 16	1.41
13 84—14 16	.43	30 50—30 83	.92	47 17—47 49	1.42
14 17—14 49	.44	30 84—31 16	.93	47 50—47 83	1.43
14 50—14 83	.45	31 17—31 49	.94	47 84—48 16	1.44
14 84—15 16	.46	31 50—31 83	.95	48 17—48 49	1.45
15 17—15 49	.47	31 84—32 16	.96	48 50—48 83	1.46
15 50—15 83	.48	32 17—32 49	.97	48 84—49 16	1.47
15 84—16 16	.49	32 50—32 83	.98	49 17—49 49	1.48
16 17—16 49		32 84—33 16	.99	49 50—49 83	1.49

Transaction	Tax	Transaction	Tax	Transaction	Tax
49.84—50.16	1.50	66.50—66.83	2.00	83.17—83.49	2.50
50.17—50.49	1.51	66.84—67.16	2.01	83.50—83.83	2.51
50.50—50.83	1.52	67.17—67.49	2.02	83.84—84.16	2.52
50.84—51.16	1.53	67.50—67.83	2.03	84.17—84.49	2.53
51.17—51.49	1.54	67.84—68.16	2.04	84.50—84.83	2.54
51.50—51.83	1.55	68.17—68.49	2.05	84.84—85.16	2.55
51.84—52.16	1.56	68.50—68.83	2.06	85.17—85.49	2.56
52.17—52.49	1.57	68.84—69.16	2.07	85.50—85.83	2.57
52.50—52.83	1.58	69.17—69.49	2.08	85.84—86.16	2.58
52.84—53.16	1.59	69.50—69.83	2.09	86.17—86.49	2.59
53.17—53.49	1.60	69.84—70.16	2.10	86.50—86.83	2.60
53.50—53.83	1.61	70.17—70.49	2.11	86.84—87.16	2.61
53.84—54.16	1.62	70.50—70.83	2.12	87.17—87.49	2.62
54.17—54.49	1.63	70.84—71.16	2.13	87.50—87.83	2.63
54.50—54.83	1.64	71.17—71.49	2.14	87.84—88.16	2.64
54.84—55.16	1.65	71.50—71.83	2.15	88.17—88.49	2.65
55.17—55.49	1.66	71.84—72.16	2.16	88.50—88.83	2.66
55.50—55.83	1.67	72.17—72.49	2.17	88.84—89.16	2.67
55.84—56.16	1.68	72.50—72.83	2.18	89.17—89.49	2.68
56.17—56.49	1.69	72.84—73.16	2.19	89.50—89.83	2.69
56.50—56.83	1.70	73.17—73.49	2.20	89.84—90.16	2.70
56.84—57.16	1.71	73.50—73.83	2.21	90.17—90.49	2.71
57.17—57.49	1.72	73.84—74.16	2.22	90.50—90.83	2.72
57.50—57.83	1.73	74.17—74.49	2.23	90.84—91.16	2.73
57.84—58.16	1.74	74.50—74.83	2.24	91.17—91.49	2.74
58.17—58.49	1.75	74.84—75.16	2.25	91.50—91.83	2.75
58.50—58.83	1.76	75.17—75.49	2.26	91.84—92.16	2.76
58.84—59.16	1.77	75.50—75.83	2.27	92.17—92.49	2.77
59.17—59.49	1.78	75.84—76.16	2.28	92.50—92.83	2.78
59.50—59.83	1.79	76.17—76.49	2.29	92.84—93.16	2.79
59.84—60.16	1.80	76.50—76.83	2.30	93.17—93.49	2.80
60.17—60.49	1.81	76.84—77.16	2.31	93.50—93.83	2.81
60.50—60.83	1.82	77.17—77.49	2.32	93.84—94.16	2.82
60.84—61.16	1.83	77.50—77.83	2.33	94.17—94.49	2.83
61.17—61.49	1.84	77.84—78.16	2.34	94.50—94.83	2.84
61.50—61.83	1.85	78.17—78.49	2.35	94.84—95.16	2.85
61.84—62.16	1.86	78.50—78.83	2.36	95.17—95.49	2.86
62.17—62.49	1.87	78.84—79.16	2.37	95.50—95.83	2.87
62.50—62.83	1.88	79.17—79.49	2.38	95.84—96.16	2.88
62.84—63.16	1.89	79.50—79.83	2.39	96.17—96.49	2.89
63.17—63.49	1.90	79.84—80.16	2.40	96.50—96.83	2.90
63.50—83.83	1.91	80.17—80.49	2.41	96.84—97.16	2.91
63.84—64.16	1.92	80.50—80.83	2.42	97.17—97.49	2.92
64.17—64.49	1.93	80.84—81.16	2.43	97.50—97.83	2.93
64.50—64.83	1.94	81.17—81.49	2.44	97.84—98.16	2.94
64.84—65.16	1.95	81.50—81.83	2.45	98.17—98.49	2.95
65.17—65.49	1.96	81.84—82.16	2.46	98.50—98.83	2.96
65.50—65.83	1.97	82.17—82.49	2.47	98.84—99.16	2.97
65.84—66.16	1.98	82.50—82.83	2.48	99.17—99.49	2.98
66.17—66.49	1.99	82.84—83.16	2.49	99.50—99.83	2.99
				99.84—100.16	3.00

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